

**MINUTES
FOR THE REGULAR MEETING
CALIFORNIA UNEMPLOYMENT INSURANCE APPEALS BOARD
Docket No. 5484**

1. Opening of Meeting:

The Appeals Board convened at 10:30, July 12, 2007 in Sacramento, with Acting - Chair Terri Carbaugh presiding.

2. Roll Call: Members

Present

Absent

Terri Carbaugh, Acting Chair	x	
Fred Aguiar, Acting Vice Chair	x	
Ann Richardson	x	
Jack Cox	x	
Liz Figueroa	x (via telephone)	
Cindy Montañez		x

3. Approval of the Minutes:

The June 19, 2007 minutes were approved by all members.

4. Chair's Report:

Acting Chair Carbaugh clarified that the date of the board meeting had been changed that month which made it more challenging for some of the board members to attend.

Acting Chair Carbaugh congratulated Members Richardson and Aguiar for being voted off the Senate floor and completing their final stages of confirmation.

Member Richardson expressed her appreciation to Executive Director/Chief Administrative Law Judge Jay Arcellana and Ralph Hilton for their input in the process.

5. Board Member Reports:

No report.

6. Chief Administrative Law Judge/Executive Director's Report:

Executive Director/Chief Administrative Law Judge Jay Arcellana expressed congratulations to Members Richardson and Aguiar on their confirmation by the Senate on behalf of Senior Staff and Field Operations.

Executive Director Arcellana reported that the quarterly meeting with the

Employment Development Department's Unemployment Insurance Division will be held next week. He commended EDD for working very hard in getting the transmittals to the CUIAB in a timely fashion.

Executive Director Arcellana reported that Department of Personnel Administration and the Department of Finance improved an increase to the PALJs pay differential. The PALJs now have a 5% differential in comparison to rank and file judges. He commended Member Richardson for being instrumental in getting that item through Finance.

Executive Director Arcellana reported that the ALJs began their time reporting for the DOL audit. The judges are recording time spent on all activities so that the Agency is certain that time charged against the UI block grant is accurate.

Executive Director Arcellana stated that the Department of Social Services has asked CUIAB to demonstrate its digital recording system. Staff from IT, including Steve Angelides, presented that system, TDSS. Eight people from DSS came to the presentation, including the PALJ and much of the administrative staff. He stated the two-hour presentation was well received and DSS thanked CUIAB for its efforts.

Executive Director Arcellana reported that the Governor's Office approved the CUIAB's out-of-state trip request for the next fiscal year, a total of 16 trips, although the dollar amount allocated to the trips was reduced.

Executive Director Arcellana reported that the CUIAB's budget staff met with EDD staff to discuss a new software program called Share Point. This program enables CUIAB budget staff to directly access EDD budget reports online, thereby reducing the time delay for report reconciliation.

Finally, Executive Director Arcellana reported that until the budget is signed, there are numerous items that will be impacted, including travel checks and some courier services.

7. Branch Reports:

a. Executive Director/Chief Administrative Law Judge Jay Arcellana presented the Work Load / Budget Summary Report via PowerPoint presentation. (Attachment A)

Acting Chair Carbaugh congratulated staff for their diligence and hard work in putting together the budget.

Member Richardson added her commendation to Renee Erwin for her exemplary work on the budget process.

b. Deputy Chief ALJ, Appellate Operations Steve Angelides reported that June was another average workload month for AO. Registrations were 1,189, 98% of the fiscal year average. Dispositions were 1,052, 87% of average, which is typical

for the summer due to vacations. AO's balance of open cases was 1,853, 102% of average and the appeal rate was 5%, 90% of average. CTU produced 6,952 pages of transcripts, 99% of average. AO's average UI case age was 41 days, 114% of average.

As of July 1, CTU was merged into AO. Brenda Payne is now the LSS II over AO, which includes the hearing transcribers. Those transcribers have been continuing to assist with decision typing and other case processing functions of AO due to the shortage of staff in those areas. Their assistance is very much appreciated.

Work continues on our appellate procedure manuals. The registration, decision typing, and closing manuals have been completed and posted on the Bench. AO is currently working on the written argument and late reviewer manuals. The next area AO will tackle will be registration. AO is also in the process of revising its acknowledgement letters and written argument letters in preparation for submitting them to IT so the letters can be programmed into CATS.

Deputy Chief Angelides stated that AO ALJ's have been continuing to provide assistance to the field with training, including a training video on the labor market withdrawal issue in disability cases And the training of a new field ALJ.

Deputy Chief Angelides recognized the accomplishment of Teri Laugenour, a longtime support staff in AO, who after years of work succeeded in getting a plaque placed at the site of the first State Capital in Sacramento.

Member Richardson asked for clarification as to whether there was a work shortage in AO or was it a staffing shortage taken up by CTU. Deputy Chief Angelides replied that there is a staffing shortage and the CTU transcribers are helping to fill in.

c. Deputy Director, Administrative Services Branch, Pam Boston reported that Business Services finished the year end engaged in purchases. Last year the procurement staff processed 1,118 Call Card Orders for office supplies totaling \$157,495. She stated they also processed 1,722 Purchase Orders, to include furniture, equipments, and IT equipment totaling \$99,570. There were 282 Service Transactions, which are one time service contracts totaling \$132,014.

Deputy Director Boston reported that Business Services has also completed all service contracts for 07-08 and are awaiting execution of the budget to process them. She also reported that the Golden Overnight Courier Service contract expired June 30th and the Agency entered into a new contract effective July 1, but since the new contract cannot be used until the budget is passed, we are currently using the services of the USPS.

Deputy Director Boston reported that Emergency Evaluation Coordinator, Ana Ibarra, attended training given by the CA Highway Patrol covering workplace safety, personal safety, auto theft and driving habits, and is currently working with the CHP to bring similar training to our facilities.

Deputy Director Boston also announced that, with Member Richardson's persistence, Job Opportunity Announcements and Exam Bulletins are now being distributed to all staff. In the past they would be sent via email to cost center supervisors, with a request to let staff know or to post them on bulletin boards, but we have since found that sometimes they don't always do so, or the supervisor may be on vacation. The new approach seems to be working well, and we've received a lot of positive feedback, so it was a good move.

Deputy Director Boston reported that both the Office Technician and Associate Information Systems Analyst examinations were recently completed.

d. Deputy Director, Planning and Program Management Branch Mary Walton-Simons reported that our language services provider, Lan Do & Associates, has reported approximately 50% of services they've provided to date were pursuant to preset requests. This is a feature not available through the preceding provider, and has proved to be a valuable tool.

The Central Uniform Registration & Verification Project (CURV) was begun in February, and seems to be working well. The concept of this pilot is to transfer workload from one office to another in order to balance out workload fluctuations geographically. This is accomplished by redirecting UI appeals directly from the EDD Primary Adjudication Centers. Los Angeles and Sacramento are the two offices involved in the pilot to date, and this will be expanded to the Orange County and San Diego offices starting August 6th.

Acting Chair Carbaugh asked, regarding the CURV, whether there was an overall cost saving in the process. Deputy Director Walton-Simmons responded that they could do such an analysis.

Member Richardson commented that the beauty of the work sharing is that no one has to be laid off and it protects rank and file employees.

8. Chief Counsel's Report:

Chief Counsel Ralph Hilton reported there were eight new cases filed last month, bringing the total number of pending cases to 149. Four cases were closed in June, all of which affirmed the decision of the Board.

Chief Counsel Hilton also reported that an action was just filed in July challenging the Board's Precedent Decision in P-T-495, a courier decision.

Acting Chair Carbaugh inquired as to where this action was filed. Chief Counsel Hilton responded that it was filed in San Diego County.

9. Unfinished & New Business:

There was no unfinished or new business.

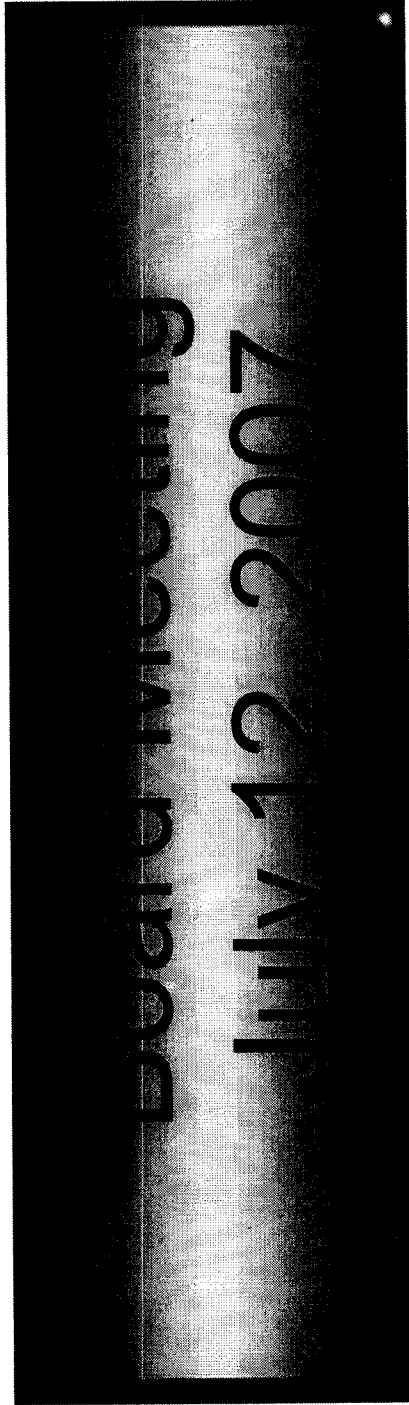
10. Public Comment:

There was no public comment.

11. Closed Session:

There was no closed session.

The regularly scheduled Board meeting adjourned.



CUIAB'S BUDGET

2006-07 FISCAL YEAR WORKLOAD/BUDGET SUMMARY

- VERIFICATIONS: 283,363
- DISPOSITIONS: 272,971
- The 272,971 dispositions earned an average of 743 positions and \$72.5 million.
- CUIAB's projected expenditures are estimated at \$71 million. Our year-end unspent surplus is projected to be \$1.5 million.

Building the 2007-2008 CUIAB Budget

CUIAB's Budget Process

- **Base budget**
 - Issued in January
 - Based upon projected workload
- **Call letter process**
 - Requests from managers for their operating needs
- **Review of call letters by budget office**
 - Assemble/coordinate information
- **Budget Advisory Committee**
 - Analyzes call letters/determines priorities/recommendations to Executive Director
- **Executive Director**
 - Approves/disapproves recommendations
 - Formalizes budget with Senior Staff
- **Presentation to the Board**
- **Budget allocations given to Cost Center Managers**

Sample of OE&E Call Letter Requests

CUIAB 07/08 Budget Year								
Qty	Item/Description	Unit Cost	Total Cost	Office	Cost Ctr	Location & Employee	Justification	Priority 1, 2, 3
3	Printer (HP4350)	1,800	5,400	OX	335	Reception, PJ, & RC	Due for replacement-in use since 01, acts up, quality diminishing.	1
68	Chair (Side Chairs w/arms)	142	9,656	LA	378	LA/West Covina	Replace worn out/stained chairs in LA and W. Covina hearing rooms	1
1	Copier (Category 4 (27PPM))	4,000	4,000	F	374	HQ	Old one's life span expires 7/07 (Savin 9927 DP)	1
8	Server	9,000	72,000	IT	319	Venture Oaks	Misc Servers for Venture Oaks (5 yr plan)	
1	Mail Cart	350	350	AO	300	HQ	To replace old disfunctional cart an one for an ALJ as a reasonable accomodation	1
			\$	91,406				

Sample of OE&E Call Letter

Approvals / Deferrals

GUIAB 07/08 Budget Year						Action					
						Approved		Approved		Deferred	
Qty	Item/Description	Unit Cost	Total Cost	Office	Cost Ctr	06 / 07 Qty	06 / 07 Cost	07 / 08 Qty	07 / 08 Cost	08 / 09 Qty	08 / 09 Cost
3	Printer (HP4350)	1,800	5,400	OX	335	2	3,600		-	1	1,800
68	Chair (Side Chairs w/arms)	142	9,656	LA	378	20	2,840		-	48	6,816
1	Copier (Category 4 (27PPM)	4,000	4,000	F	374	1	4,000		-		-
8	Server	9,000	72,000	IT	319		-	8	72,000		-
1	Mail Cart	350	350	AO	300		-	1	350		-
						\$	10,440	\$	72,350	\$	8,616

2007-2008 Base Budget

Base Budget \$70,204,346

Call Letter Requests

– Personnel (Salary/Wages)	\$ 45,451,596
– Benefits	\$ 18,362,445
– <u>OE&E</u>	<u>\$ 17,247,322</u>

Total \$81,061,363

Over Base Budget \$10,857,017

Reasons for 2007-2008 Call Letter Increases

- Projected increases in salaries and wages due to COLAs, increased benefits, and an increase in requests for positions from 618 to 655.
- Projected increase in OE&E primarily due to lease costs and IT costs.
- Total increased requests \$10,857,017

Balancing the 2007-08 Base Budget with Call Letter Requests

• FY 2007-08 Items purchased with FY 06-07 surplus earnings:	\$1,690,486
• Additional Earnings & Revenue:	\$5,491,725
• Workload not captured in the May 2007 Revise projections:	\$5,254,597
• USDOL postage augmentation:	\$227,588
• Reimbursable Contracts–Hrg. Rms:	\$9,540
• Salary and benefit savings for 4 month vacancy:	\$1,611,600
• Requests Deferred or Denied:	\$2,063,206
• TOTAL	<u>\$10,857,017</u>

CUIAB'S INTERNAL BUDGET PROJECTION FOR 2007-08

- **TOTAL**

\$74,117,471

- Based upon internal workload projections

- As of July 1, our inventory is slightly above 40,000 cases, the highest since October 2005; up 31% since March.
- Recent workload trends show that for FY 2006-07, verifications are up 22,000 from the prior year.

October Revision

- Department of Finance will revise CUIAB's budget based upon actual workload numbers during first quarter of fiscal year.
 - Adjustments to staffing levels and expenditures will be made which reflect the October revise and CUIAB's internal projections.



See you in October

Hopefully we won't be seeing
RED!